

ATTACHMENT 2.1-A

A Health Maintenance Organization (HMO) is defined as an entity which has a Certificate of Authority to operate as a health maintenance organization issued by the Insurance Commission, Maryland Department of Licensing and Regulation.

Maryland HMOs satisfy all the requirements of 42 CFR 434.20(c) through strict compliance with existing Code of Maryland Regulations (COMAR). Specific references are as follows:

-Organization's Primary Purpose-

"Health Maintenance Organization-Medical Assistance (HMO-MA)" means an organization which has demonstrated professional and financial ability to deliver specific health care services (as defined in Health-General Article, §19-701, Annotated Code of Maryland) to an enrolled group of persons consistent with applicable Federal and State laws and has contracted with this Department to deliver services to enrolled Medical Assistance Program recipients (COMAR 10.09.16.02F).

"HMO-MA benefit package" means all health services to which recipients are entitled under the Medical Assistance Program exclusive of services in a skilled nursing facility, intermediate care facility, chronic hospital, mental hospital, and other services specifically excluded in the contract (COMAR 10.09.16.02G),

-Accessibility to Services-

"HMO-MA benefit package" means all health services to which recipients are entitled under the Medical Assistance Program exclusive of services in a skilled nursing facility, intermediate care facility, chronic hospital, mental hospital, and other services specifically excluded in the contract (COMAR 10.09.16.02G).

"Marketing area" means a defined geographic area selected by the HMO-MA and approved by the Department in which the complete benefit package is available to all HMO-MA enrollees, and beyond which the HMO-MA is restricted from directly marketing its services (COMAR 10.09.16.02I).

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-Risk of Insolvency -

The HMO-MA shall ensure that enrollees are not held liable for the debts of the HMO-MA in the event of the insolvency of the HMO-MA by:

(a)
Entering into subcontracts as required by §F of this regulation; and

(b)
Maintaining reserve funds, the amount of which may not be less than the sum of:

(i)
One months capitation revenue from the Department, and

(ii)
Three months; average expenditures by the HMO-MA for services rendered to enrollees by providers with whom the HMO-MA does not have subcontracts, including providers of emergency services [COMAR 10.09.16.04 (C) (1)].

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